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September 27, 2005

John F. Carter, Director  
FDIC San Francisco Regional Office  
25 Jessie Street at Ecker Square, Suite 2300  
San Francisco, CA 94105

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RE: Wal-Mart's application for deposit insurance

I am writing you this letter not only as a concerned employee of a community bank, but also as a concerned citizen and consumer. Living in rural Montana, and more specifically in Helena, I have been astounded by the impact that Wal Mart has had on our local economy. No, I don't have access to detailed statistics to support its impact; only anecdotal evidence from what I have witnessed.

Prior to Wal Mart's "Super Center" Helenans enjoyed the ability and choice of shopping five separately owned grocery stores. They were: Safeway, Albertsons, Van's Thriftway, County Market and Smith's.

Once Wal Mart added the "Super Center", which essentially is a grocery store, both Smith's and County Market soon went bankrupt and closed.

I am a true believer in open markets, competition, and capitalism. As such, a part of me believes that Wal Mart had more talented management who employed more efficient and effective business practices. In the *short term (emphasis added)* in essence capitalism worked—resources were more efficiently utilized. On the other hand, in the long term, consumers now have less choice. And with less choice comes less competition and increases in prices. The cycle will eventually start over (i.e. Wal Mart will eventually face competition from a low priced focused store. But, how many years will that take?).

If Wal Mart is allowed to gain access to the FDIC's deposit insurance and begins to offer (or require) financial services be purchased from Wal Mart by its customers and suppliers, the consequences in the short term on low and moderate income families could be devastating. I believe our local consumers have already lost their choice in where they grocery shop and can't afford to lose the choice of where they receive financial services. It reminds me of a song I heard in the 70's titled "Sixteen Tons" sang by Tennessee Ernie Ford. Its chorus line was, "I owe my soul to the company store."

Though I believe in capital markets and capitalism, we cannot escape greed. Though greed has been with us throughout humanity, it has reared its ugly head in drastic ways in recent times as seen from the events involving Enron, WorldCom, Tyco, and even locally with the failure of Montana Power. Greed is the plague of capitalism which requires government intervention, monitoring, and rule making. Please make good use of your rule making authority and prevent Wal Mart from combining commerce and banking.

Sincerely,



Clint Morrison  
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